

Exhibit II

Fee Application for the period

July 1, 2006 – July 31, 2006

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re)	Chapter 11
)	
W. R. Grace & Co. <u>et al.</u> ¹ ;)	Case No. 01-01139 (JKF)
)	Jointly Administered
Debtors.)	

Objection Deadline:
September 26, 2006 at 4:00 p.m.
Hearing date: To be scheduled only if objections
are timely filed and served.

NOTICE OF FILING OF MONTHLY FEE APPLICATION

To: (1) The Debtors; (2) Counsel to the Debtors; (3) The Office of the United States Trustee; (4) Counsel to the Official Committee of Asbestos Personal Injury Claimants; (5) Counsel to the Official Committee of Asbestos Property Damage Claimants; (6) Counsel to the Official Committee of Equity Holders; and (7) Counsel to the Debtors-in-Possession Lenders (8) the Fee Auditor:

Capstone Advisory Group, LLC ("Capstone"), financial advisors to the Official Committee of Unsecured Creditors of the above captioned debtor and debtors in possession in the above-captioned chapter 11 cases, filed and served its Thirtieth Interim Application for Allowance of Compensation and for Services Rendered and Reimbursement of Expenses

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Incurred for the period from July 1, 2006 through July 31, 2006 (the "Monthly Fee Application"). Capstone is seeking compensation in the amount of \$81,959.20, representing 80% of \$102,449.00, which is the total amount of fees incurred, and reimbursement for actual and actual and necessary expenses in the amount of \$566.51.

Objections or responses to the Monthly Fee Application, if any, must be made in writing and filed with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, on or before **September 26, 2006 at 4:00 p.m.**

At the same time you must also serve a copy of the objections or responses, if any, upon the following: (i) co-counsel for the Debtors, James H.M. Sprayregen, Esquire, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 (fax number 312-861-2200), and Laura Davis Jones, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (fax number 302-652-4400); (ii) co-counsel to the Official Committee of Unsecured Creditors, Lewis Kruger, Esquire, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038-4982 (fax number 212-806-6006), and Michael R. Lastowski, Esquire, Duane Morris LLP, 1100 N. Market Street, Suite 1200, Wilmington, Delaware 19801-1246 (fax number 302-657-4901); (iii) co-counsel to the Official Committee of Asbestos Property Damage Claimants, Scott L. Baena, Esquire, Blizin, Sumberg, Dunn, Baena, Price & Axelrod, First Union Financial Center, 200 South Biscayne Boulevard, Suite 2500, Miami, Florida 33131 (fax number 305-374-7593), and Michael B. Joseph, Esquire, Ferry & Joseph, P.A., 824 Market Street, Suite 904, P.O. Box 1351, Wilmington, Delaware 19899 (fax number 302-575-1714); (iv) co-counsel to the Official Committee of Asbestos Personal Injury Claimants, Elihu Inselbuch, Esquire, Caplin & Drysdale,

399 Park Avenue, 36th Floor, New York, New York 10022 (fax number 212-644-6755) and Mark Hurford, Esquire, Campbell & Levine, LLC, Chase Manhattan Centre, 15th Floor, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (fax number 302-426-9947); (v) co-counsel to the DIP Lender, J. Douglas Bacon, Esquire, Latham & Watkins, Sears Tower, Suite 5800, Chicago, Illinois 60606 (fax number 312-993-9767), and Steven M. Yoder, Esquire, The Bayard Firm, 222 Delaware Avenue, Suite 900, P.O. 25130, Wilmington, Delaware 19899 (fax number 302-658-6395); (vi) counsel to the Official Committee of Equity Holders, Thomas Moers Mayer, Esquire, Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022 (fax number 212-715-8000); and (vii) the Office of the United States Trustee, Attn: David Klauder, Esquire, 844 N. King Street, Wilmington, Delaware 19801

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(fax number 302-573-6497); and (viii) the Fee Auditor, to Stephen L. Bossay, Warren H. Smith and Associates, Republic Center, 325 N. St. Paul, Suite 1275, Dallas, TX 75201.

Dated: September 6, 2006
Wilmington, DE

RESPECTFULLY SUBMITTED,



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Co-Counsel for the Official Committee of
Unsecured Creditors of W. R. Grace & Co., et al.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re:

Chapter 11

W.R. GRACE & Co., et al.,

Case No. 01-01139 (JKF)
(Jointly Administered)

Debtors

THIRTIETH INTERIM APPLICATION OF CAPSTONE ADVISORY GROUP, LLC,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM JULY 1, 2006 THROUGH JULY 31, 2006)

Name of Applicant:	Capstone Advisory Group, LLC (formerly known as Capstone Corporate Recovery, LLC)
Authorized to Provide Professional Services to:	The Official Committee of Unsecured Creditors
Date of Retention:	June 8, 2004 (<u>nunc pro tunc</u> to February 4, 2004)
Period for which compensation and reimbursement is sought:	July 1, 2006 through July 31, 2006
Amount of Compensation sought as actual, reasonable and necessary (80% of \$102,449.00):	\$ 81,959.20
Amount of Expense Reimbursement sought as actual, reasonable and necessary (100%):	\$ <u>566.51</u>
Total Amount Due:	\$ 82,525.71

Capstone replaced FTI Consulting, Inc. ("FTI") as financial advisors to the Official Committee of Unsecured Creditors, nunc pro tunc to February 4, 2004, so ordered by the Court on June 8, 2004

The total time expended and included herein for fee application preparation is approximately 26.3 hours and corresponding compensation requested is approximately \$ 8,744.50.

This is the Thirtieth Interim Application filed by Capstone. Disclosure for the current period and prior periods is as follows:

**THIRTIETH INTERIM APPLICATION OF CAPSTONE ADVISORY GROUP, LLC,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM JULY 1, 2006 THROUGH JULY 31, 2006)**

**ATTACHMENT A
TO FEE APPLICATION**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
June 10, 2004	February 4, 2004 through February 29, 2004	\$94,882.00	\$3,932.07	\$75,905.60
June 10, 2004	March 1, 2004 through March 31, 2004	\$136,415.50	\$1,819.00	\$109,132.40
Totals First Quarterly	February 4, 2004 through March 31, 2004	\$231,297.50	\$5,751.07	\$185,038.00
June 12, 2004	April 1, 2004 through April 30, 2004	\$61,925.00	\$678.33	\$49,540.00
July 13, 2004	May 1, 2004 Through May 31, 2004	\$32,665.00	\$477.15	\$26,132.00
August 5, 2004	June 1, 2004 through June 30, 2004	\$106,470.50	\$1,119.63	\$85,176.40
Totals Second Quarterly	April 1, 2004 through June 30, 2004	\$201,060.50	\$2,275.11	\$160,848.40
August 31, 2004	July 1, 2004 through July 31, 2004	\$68,533.50	\$667.60	\$54,826.80
September 24, 2004	August 1, 2004 through August 31, 2004	\$99,215.50	\$1,341.49	\$79,372.40
October 28, 2004	September 1, 2004 through September 30, 2004	\$44,918.25	\$658.72	\$35,934.60
Totals Third Quarterly	July 1, 2004 through September 30, 2004	\$212,667.25	\$2,667.81	\$170,133.80

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(FOR THE PERIOD FROM JULY 1, 2006 THROUGH JULY 31, 2006)

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
December 6, 2004	October 1, 2004 through October 31, 2004	\$57,592.50	229.77	\$46,074.00
December 22, 2004	November 1, 2004 through November 30, 2004	\$84,366.50	\$745.91	\$67,493.20
January 28, 2005	December 1, 2004 Through December 31, 2004	\$82,351.00	\$ 1,943.96	\$65,880.80
Totals Fourth Quarterly	October 1, 2004 through December 31, 2004	\$224,310.00	\$2,919.64	\$179,448.00
February 25, 2005	January 1, 2005 through January 31, 2005	\$69,477.00	\$276.18	\$55,581.60
March 29, 2005	February 1 through February 28, 2005	\$77,228.50	\$1,727.60	\$61,782.80
May 6, 2005	March 1, 2005 through March 31, 2005	\$126,012.00	\$ 494.94	\$100,809.60
Totals Fifth Quarterly	January 1, 2005 through March 31, 2005	\$272,717.50	\$2,498.72	\$218,174.00
June 3, 2005	April 1, 2005 through April 30, 2005	\$ 87,936.00	\$ 435.16	\$ 70,348.80
July 6, 2005	May 1, 2005 through May 31, 2005	\$119,435.00	\$1,275.00	\$ 95,548.00
July 15, 2005	June 1, 2005 through June 30, 2005	\$89,859.00	\$542.69	\$71,887.20

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(FOR THE PERIOD FROM JULY 1, 2006 THROUGH JULY 31, 2006)

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
Totals Sixth Quarterly	April 1, 2005 through June 30, 2005	\$297,230.00	\$2,252.85	\$237,784.00
September 19, 2005	July 1, 2005 through July 31, 2005	\$90,014.50	\$621.03	\$72,011.60
October 7, 2005	August 1, 2005 through August 31, 2005	\$126,233.00	\$1,532.46	\$100,986.40
October 31, 2005	September 1, 2005 through September 30, 2005	75,983.50	\$482.03	\$60,786.80
Totals Seventh Quarterly	July 1, 2005 through September 30, 2005	\$292,231.00	\$2,635.52	\$233,784.80
December 16, 2005	October 1, 2005 through October 31, 2005	95,742.50	\$750.36	76,594.00
December 30, 2005	November 1, 2005 through November 30, 2005	\$118,062.00	\$1,119.74	\$94,449.60
February 9, 2006	December 1, 2005 through December 31, 2005	\$122,018.50	\$938.82	\$97,614.80
Totals Eighth Quarterly	October 1, 2005 through December 31, 2005	\$335,823.00	\$2,808.92	\$268,658.40
March 21, 2006	January 1, 2006 through January 31, 2006	\$85,745.00	\$631.01	\$68,596.00
April 20, 2006	February 1, 2006 through February 28, 2006	\$173,916.50	\$2,359.69	\$139,133.20

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(FOR THE PERIOD FROM JULY 1, 2006 THROUGH JULY 31, 2006)

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
May 9, 2006	March 1 through March 31, 2006	\$141,040.50	\$1,017.99	\$112,832.40
Totals Ninth Quarterly	January 1, 2006 through March 31, 2006	\$400,702.00	\$4,008.69	\$320,561.60
May 23, 2006	April 1, 2006 through April 30, 2006	\$125,055.00	\$1,929.46	\$100,044.00
June 21, 2006	May 1, 2005 Through May 31, 2006	\$146,396.50	\$965.43	\$117,117.20
July 20, 2006	June 1, 2006 Through June 30, 2006	\$140,368.50	\$1,263.86	\$140,368.50
Totals Tenth Quarterly	April 1, 2006 through June 30, 2006	\$411,820.00	\$4,158.75	\$329,456.00
August 25, 2006	July 1, 2006 through July 31, 2006	\$102,449.00	\$566.51	\$ 81,959.20

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(FOR THE PERIOD FROM JULY 1, 2006 THROUGH JULY 31, 2006)**

**ATTACHMENT B
TO FEE APPLICATION**

1. Summary of Fees by Professional
2. Summary of Fees by Task Code
3. Detailed Time Description by Task Code
4. Expense Detail

W.R. Grace & Co.
Capstone Advisory Group, LLC
Summary of Fees by Professional
For the Period 7/1/06 through 7/31/06

Professional	Position	Billing Rate	Hours	Fees
E. Ordway	Member	\$555	40.10	\$22,255.50
S. Cunningham	Member	\$555	35.20	\$19,536.00
R. Frezza	Consultant	\$450	32.40	\$14,580.00
W. Dlugolecki	Consultant	\$450	9.20	\$4,140.00
L. Hamilton	Consultant	\$365	66.00	\$24,090.00
J. Dolan	Consultant	\$355	49.10	\$17,430.50
M. Desalvio	Research	\$150	0.50	\$75.00
N. Backer	Paraprofessional	\$90	3.80	\$342.00
For the Period 7/1/06 through 7/31/06			236.30	\$102,449.00

W.R. Grace & Co.
Capstone Advisory Group, LLC
Summary of Fees by Task Code
For the Period 7/1/06 through 7/31/06

Task Code	Task Description	Hours	Fees
01. Acquisitions/Divestitures	During the Fee Application period, the Applicant prepared numerous detailed analyses pertaining to two acquisitions, including review of the Debtors' presentation materials, multi-year financial models, and comparable peer and industry data.	54.80	\$25,647.50
04. Creditor Committee Matters	During the Fee Application period, the Applicant discussed case issues with counsel and Committee members including a lease assignment, LTIP proposal, hearing agenda items, and PI/PD objections to the extension of exclusivity.	7.80	\$3,425.50
07. Fee Applications & Invoices	During the Fee Application Period, the Applicant prepared the June fee application as well as a quarterly fee application. Additionally, the Applicant reviewed the status of CNOs and also prepared a response to an inquiry from the fee auditor.	26.30	\$8,744.50
08. Financial Analysis - Schedules & Statements	During the Fee Application Period, the Applicant analyzed the Debtors' SEC filings and prior results in preparation for the Q2 operations report to the Committee.	32.50	\$12,380.50
11. Financial Analysis - Other	During the Fee Application Period, the Applicant prepared various analyses regarding recent court filings including state tax settlements, a lease assignment, changes to the proposed LTIP, and the Citadel stock purchase. Additionally, the Applicant analyzed aspects of the proposed Lloyds' settlement and information regarding outcomes of the July hearing.	69.20	\$32,202.50
15. Plan & Disclosure Statement	During the Fee Application Period, the Applicant read and analyzed information regarding the PI/PD objections to extension of exclusivity, recent case management orders pertaining to estimation proceedings, and the status of Questionnaires. In addition, the Applicant evaluated PI/PD claims levels and related valuation and solvency issues.	38.60	\$17,100.50
26. Meetings with Debtors/Advisors	During the Fee Application Period, the Applicant prepared for and participated in discussions regarding two acquisitions, Cardinal and Spaghetti, as well as the proposed LTIP.	7.10	\$2,948.00
For the Period 7/1/06 through 7/31/06		236.30	\$102,449.00

Capstone Advisory Group, LLC
Invoice for the July Fee Application
W.R. Grace & Co.
Capstone Advisory Group, LLC
Detailed Time Description by Task Code
For the Period 7/1/06 through 7/31/06

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Date	Professional	Hours	Detailed Time Description
01. Acquisitions/Divestitures			
7/10/2006	W. Dlugolecki	1.20	Analyzed acquisition data provided by Debtors and their advisors.
7/10/2006	S. Cunningham	3.30	Read and analyzed updated Spaghetti and Project Cardinal material.
7/11/2006	W. Dlugolecki	1.90	Continued to analyze data related to Project Spaghetti provided by Debtors and advisors.
7/11/2006	J. Dolan	1.40	Read/edited draft report to Committee regarding Spaghetti acquisition.
7/11/2006	S. Cunningham	3.00	Read and analyzed updated Spaghetti and Project Cardinal material.
7/11/2006	R. Frezza	0.40	Analyzed/updated acquisition model assumptions.
7/11/2006	R. Frezza	0.40	Updated open points list regarding Spaghetti acquisition.
7/12/2006	R. Frezza	2.20	Read and analyzed Project Cardinal materials and related motion.
7/12/2006	W. Dlugolecki	1.50	Prepared updates to draft report pertaining to Project Spaghetti.
7/12/2006	S. Cunningham	1.80	Analyzed updated Spaghetti projections.
7/13/2006	R. Frezza	1.90	Continued analysis of Project Cardinal information and prepared detailed list of open items.
7/13/2006	W. Dlugolecki	1.60	Analyzed data related to synergies of Project Spaghetti.
7/13/2006	J. Dolan	1.10	Prepared list of followup questions for Debtors and their advisors related to Project Cardinal.
7/13/2006	L. Hamilton	0.70	Read and analyzed information regarding Cardinal acquisition.
7/13/2006	J. Dolan	4.30	Analyzed data provided by Debtors and Blackstone regarding Project Cardinal.
7/14/2006	W. Dlugolecki	1.40	Analyzed data provided by Debtors related to followup questions on Project Spaghetti.
7/17/2006	E. Ordway	0.40	Reviewed information request list prepared by staff regarding proposed acquisition.

Date	Professional	Hours	Detailed Time Description
7/17/2006	R. Frezza	1.50	Analyzed Project Cardinal information, updated information request list and coordinated with Blackstone on response timing.
7/17/2006	E. Ordway	0.50	Analyzed synergy data prepared by Blackstone regarding proposed acquisition.
7/17/2006	J. Dolan	1.00	Continued detailed analysis of Project Cardinal provided by Debtors including draft motions.
7/18/2006	S. Cunningham	3.90	Read and analyzed Project Cardinal data.
7/20/2006	S. Cunningham	3.10	Read and analyzed acquisitions Spaghetti and Cardinal.
7/24/2006	R. Frezza	0.60	Analyzed additional Project Spaghetti data provided by Blackstone.
7/24/2006	S. Cunningham	3.50	Read and analyzed acquisitions Spaghetti and Cardinal.
7/24/2006	R. Frezza	0.50	Prepared followup on data request regarding Project Cardinal.
7/25/2006	S. Cunningham	3.50	Read and analyzed acquisitions Spaghetti and Cardinal.
7/26/2006	W. Dlugolecki	0.30	Analyzed revised cash flow data from Blackstone.
7/31/2006	W. Dlugolecki	1.30	Analyzed latest cash flow forecast provided by Debtors.
7/31/2006	J. Dolan	3.10	Analyzed the additional information received via conference call in relation to Project Cardinal.
7/31/2006	J. Dolan	3.50	Prepared report to the Committee regarding Project Cardinal.
Subtotal		54.80	

04. Creditor Committee Matters

7/5/2006	L. Hamilton	0.60	Participated in discussions with counsel regarding lease assignment.
7/6/2006	L. Hamilton	0.30	Corresponded/discussed LTIP changes with counsel.
7/6/2006	R. Frezza	0.40	Discussed LTIP changes with counsel.
7/7/2006	E. Ordway	0.40	Discussed LTIP extension with Committee member.
7/10/2006	E. Ordway	0.40	Called counsel to discuss objection.
7/10/2006	L. Hamilton	0.30	Discussed upcoming hearing and recent filings with counsel.
7/13/2006	R. Frezza	1.10	Participated in discussions with counsel regarding memo to Committee pertaining to PI/PO objections to exclusivity.

Date	Professional	Hours	Detailed Time Description
7/13/2006	R. Frezza	1.60	Participated in discussions with counsel regarding LTIP order and our response/comments thereon.
7/17/2006	E. Ordway	0.50	Call with Committee member regarding future representative's objection to exclusivity.
7/18/2006	L. Hamilton	0.10	Corresponded with counsel regarding exclusivity reply.
7/19/2006	L. Hamilton	0.30	Corresponded with counsel regarding exclusivity and timing of potential acquisition (Cardinal).
7/19/2006	R. Frezza	0.30	Discussed next steps with counsel regarding PI/PD exclusivity objection.
7/25/2006	L. Hamilton	0.40	Discussed 7/24 hearing outcomes with counsel.
7/25/2006	R. Frezza	0.50	Responded to Committee questions regarding recent docket items.
7/27/2006	L. Hamilton	0.30	Discussed July hearing results and other case issues with counsel.
7/28/2006	L. Hamilton	0.30	Discussed case issues with counsel including Citadel stock purchase and tax settlement.
Subtotal		7.80	
07. Fee Applications & Invoices			
7/5/2006	L. Hamilton	1.00	Discussed receivables status with Debtors and updated records accordingly.
7/10/2006	L. Hamilton	1.70	Prepared June fee application.
7/10/2006	L. Hamilton	1.70	Prepared June fee application.
7/12/2006	L. Hamilton	1.00	Followed up on CNOs and receivable balances.
7/13/2006	L. Hamilton	1.00	Responded to various inquiries regarding fee application filings.
7/17/2006	N. Backer	0.60	Prepared June fee application.
7/18/2006	L. Hamilton	1.40	Prepared June fee application.
7/19/2006	N. Backer	0.70	Prepared June fee application.
7/19/2006	L. Hamilton	2.70	Prepared June fee application.
7/24/2006	L. Hamilton	2.10	Prepared June fee application.
7/24/2006	L. Hamilton	0.50	Read fee auditor report.
7/25/2006	L. Hamilton	1.70	Prepared June fee application.

Date	Professional	Hours	Detailed Time Description
7/25/2006	E. Ordway	0.40	Prepared fee application.
7/25/2006	L. Hamilton	1.10	Researched CNO issues and updated records accordingly.
7/25/2006	E. Ordway	0.60	Prepared response to fee audit.
7/25/2006	L. Hamilton	2.80	Prepared response to fee auditor report.
7/26/2006	N. Backer	0.50	Prepared June fee application.
7/27/2006	L. Hamilton	1.00	Prepared June fee application.
7/28/2006	L. Hamilton	1.20	Prepared quarterly fee application.
7/30/2006	L. Hamilton	0.60	Updated receivable analysis and followed up on CNOs.
7/31/2006	N. Backer	2.00	Prepared quarterly fee application.
Subtotal		26.30	

08. Financial Analysis - Schedules & Statements

7/10/2006	J. Dolan	5.00	Read and analyzed prior reports and Debtor filings in preparation for 2nd quarter 2006 report to the Committee.
7/11/2006	J. Dolan	6.70	Continued to read and analyzed prior reports and Debtor filings in preparation for 2nd quarter 2006 report to the Committee.
7/11/2006	E. Ordway	4.20	Analyzed recent 10-K's, 10-Q's for selected peer group members.
7/13/2006	L. Hamilton	0.30	Reviewed Q1 claims detail provided by Debtors.
7/18/2006	J. Dolan	7.10	Read and analyzed prior reports and Debtor filings in preparation for 2nd quarter 2006 report.
7/20/2006	J. Dolan	4.10	Read and analyzed prior reports and Debtor filings in preparation for 2nd quarter 2006 report.
7/25/2006	J. Dolan	1.10	Analyzed the three-year projections received from Blackstone and discussed same with case team member.
7/25/2006	J. Dolan	4.00	Continued to read and analyze prior reports and debtor filings, including a peer group analysis report.
Subtotal		32.50	

11. Financial Analysis - Other

7/3/2006	L. Hamilton	2.90	Prepared draft report regarding lease assignment.
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Date	Professional	Hours	Detailed Time Description
7/3/2006	L. Hamilton	0.70	Read and analyzed correspondence from counsel regarding state tax motion.
7/3/2006	L. Hamilton	2.60	Read and analyzed additional materials from Debtors regarding lease assignment.
7/5/2006	L. Hamilton	0.40	Read correspondence from Debtors' counsel and reviewed motion regarding state tax priority claim.
7/5/2006	E. Ordway	2.40	Analyzed draft motion regarding LTIP extension.
7/5/2006	E. Ordway	2.40	Read and analyzed counsels' memo on lease assumption and data provided by Debtors.
7/5/2006	L. Hamilton	1.00	Read draft report to the Committee regarding lease assignment and provided comments to counsel.
7/6/2006	L. Hamilton	2.60	Read and analyzed materials provided by Debtors regarding LTIP motion amendment.
7/6/2006	E. Ordway	2.70	Prepared/edited report to Committee regarding LTIP update.
7/6/2006	L. Hamilton	1.40	Prepared draft report for counsel regarding LTIP changes.
7/6/2006	L. Hamilton	0.70	Read and analyzed recent court docket items.
7/6/2006	E. Ordway	1.20	Analyzed motion regarding state tax claim.
7/6/2006	R. Frezza	1.60	Read and analyzed Debtors changes to proposed LTIP.
7/6/2006	E. Ordway	1.10	Analyzed motion regarding ordinary course retention of professionals.
7/7/2006	R. Frezza	0.60	Prepared followup questions to Debtors and advisors regarding LTIP.
7/7/2006	R. Frezza	2.40	Prepared report to counsel to regarding Committee's position on LTIP changes.
7/7/2006	R. Frezza	1.40	Continued analysis of LTIP changes.
7/7/2006	E. Ordway	4.30	Prepared comparison models for inclusion in peer group analysis.
7/10/2006	L. Hamilton	1.20	Read and analyzed recent court docket items.
7/10/2006	R. Frezza	1.10	Discussed current docket issues with case team members and reviewed next steps on various case issues.
7/10/2006	L. Hamilton	2.80	Obtained additional information and prepared report to counsel regarding Citadel stock purchase.
7/11/2006	E. Ordway	3.10	Updated peer group analysis.

Date	Professional	Hours	Detailed Time Description
7/12/2006	R. Frezza	2.70	Analyzed tax impact of Lloyds' settlement under various scenarios.
7/12/2006	L. Hamilton	0.80	Read and analyzed recent court docket items.
7/13/2006	S. Cunningham	3.40	Analyzed proposed LTIP compared to historical terms.
7/14/2006	L. Hamilton	0.50	Read and analyzed Libby claimants' filing regarding Lloyd's settlement.
7/14/2006	S. Cunningham	1.90	Analyzed comparative information regarding proposed LTIP.
7/14/2006	S. Cunningham	2.10	Analyzed information provided by Debtors regarding proposed Lloyds settlement.
7/14/2006	L. Hamilton	0.90	Read and analyzed recent court docket items.
7/17/2006	S. Cunningham	2.40	Continued to analyze Lloyds settlement proposal.
7/17/2006	E. Ordway	3.80	Prepared analysis of gross margin and revenue trends for peer companies.
7/17/2006	S. Cunningham	1.10	Continued to analyze proposed LTIP.
7/24/2006	M. Desalvio	0.50	Retrieved court documents for case team member.
7/27/2006	L. Hamilton	1.20	Read and analyzed correspondence from counsel regarding results of July hearing.
7/27/2006	L. Hamilton	0.20	Read and analyzed state tax information received from Blackstone.
7/27/2006	E. Ordway	0.90	Read and analyzed counsels' report on court hearing.
7/28/2006	J. Dolan	0.70	Summarized 7/24 hearing materials including the Kirkland & Ellis Reports and the Dow decisions and documented the timeline for Capstone team.
7/28/2006	L. Hamilton	0.30	Read and analyzed information regarding state tax settlement (MI).
7/28/2006	J. Dolan	0.60	Read Committee memo regarding 7/24 Hearing.
7/30/2006	L. Hamilton	2.20	Read and analyzed recent court docket items regarding a stock purchase and various court orders.
7/30/2006	L. Hamilton	2.40	Prepared followup memo regarding Citadel stock purchase.
Subtotal		69.20	
15. Plan & Disclosure Statement			
7/10/2006	E. Ordway	1.90	Analyzed valuation and claims data included in PIPD objection.

Date	Professional	Hours	Detailed Time Description
7/10/2006	E. Ordway	2.30	Prepared analysis to compare future representative's valuation and claims analysis.
7/10/2006	E. Ordway	2.60	Read and analyzed future claim representative's objection to exclusivity.
7/11/2006	L. Hamilton	2.20	Read and analyzed Asbestos' Committees' objection to extension of exclusivity.
7/11/2006	L. Hamilton	3.30	Prepared draft summary of exclusivity filings.
7/11/2006	L. Hamilton	2.50	Read and analyzed Debtors' brief regarding extension of exclusivity.
7/12/2006	L. Hamilton	2.80	Prepared report regarding exclusivity filings.
7/12/2006	L. Hamilton	1.40	Read and analyzed Asbestos' committees' objection to extension of exclusivity.
7/12/2006	R. Frezza	1.30	Read PI/PD objection to exclusivity and reviewed related solvency analysis.
7/12/2006	S. Cunningham	2.20	Read objection filed by PI/PD regarding exclusivity.
7/12/2006	R. Frezza	2.30	Prepared line-item comparison to Capstone's distributable value analysis for discussion with counsel.
7/13/2006	E. Ordway	0.80	Read counsel's report concerning exclusivity issues.
7/14/2006	L. Hamilton	0.60	Read and analyzed counsel's update regarding exclusivity.
7/18/2006	L. Hamilton	0.90	Read and analyzed Debtors' reply to Asbestos constituents' exclusivity objections.
7/19/2006	R. Frezza	1.10	Prepared comparative analysis of latest solvency analysis provided by PI/PD committees.
7/19/2006	R. Frezza	0.90	Analyzed updated peer data in connection with PI/PD negotiations.
7/24/2006	L. Hamilton	0.90	Researched docket for exclusivity filings and discussed same with case team member.
7/27/2006	E. Ordway	0.60	Read amended case management order for estimation process.
7/27/2006	R. Frezza	0.70	Read and analyzed counsel's memo and related attachments regarding PI/PD hearing matters
7/27/2006	E. Ordway	0.90	Read counsel's report regarding post-petition interest in Dow matter.
7/27/2006	E. Ordway	1.70	Analyzed questionnaire status report for personal injury and property damage.
7/27/2006	R. Frezza	0.40	Discussed PI/PD materials and related valuation analyses with case team members.

Date	Professional	Hours	Detailed Time Description
7/28/2006	J. Dolan	0.80	Read and analyzed various K&E reports related to asbestos issues.
7/28/2006	L. Hamilton	1.50	Read recent case management orders regarding PI/PD estimation proceedings.
7/28/2006	J. Dolan	2.00	Read and analyzed Committee memo on Dow decision as well as the Dow Corning decision.
Subtotal		38.60	
26. Meetings with Debtors/Advisors			
7/6/2006	R. Frezza	1.80	Held numerous discussions with Debtors and their advisors regarding LTIP changes.
7/11/2006	R. Frezza	0.50	Held conference call with Debtors and advisors to discuss update of Spaghetti deal.
7/26/2006	J. Dolan	2.30	Prepared for and participated in conference call with Debtor and Blackstone regarding followup of open request items for Project Cardinal.
7/26/2006	R. Frezza	2.20	Prepared for and participated in conference call with Debtors and advisors regarding details of Project Cardinal.
7/31/2006	J. Dolan	0.30	Participated in call with Blackstone regarding an update on Project Spaghetti.
Subtotal		7.10	
Total Hours		236.30	

W.R. Grace & Co.
Capstone Advisory Group, LLC
Expense Detail
For the Period 7/1/06 through 7/31/06

Date	Professional	Detail	Amount
Copies			
7/31/2006	Capstone Expenses	July copies: 131 @ \$.15 ea	\$19.65
Subtotal - Copies			\$19.65
Parking/Tolls			
7/3/2006	E. Ordway	Parking \$41.00	\$34.00
Subtotal - Parking/Tolls			\$34.00
Research			
7/1/2006	Capstone Expenses	Pacer Quarterly Services April - June	\$105.60
Subtotal - Research			\$105.60
Scans			
7/31/2006	Capstone Expenses	July scans: 127 @ \$1.00 ea	\$127.00
Subtotal - Scans			\$127.00
Telephone			
7/31/2006	Capstone Expenses	July Telephone: Saddle Brook Office	\$280.26
Subtotal - Telephone			\$280.26
For the Period 7/1/06 through 7/31/06			\$566.51